

IC 27-15-13

Chapter 13. Initial Limits on Ownership of Shares

IC 27-15-13-1

Acquisition of beneficial ownership; limitations

Sec. 1. (a) Except as specifically provided in a plan of conversion, for five (5) years following the effective date of the conversion no person or persons acting in concert (other than the former mutual, any parent company, or any employee benefit plans or trusts sponsored by the former mutual or a parent company) shall directly or indirectly acquire, or agree or offer to acquire, in any manner the beneficial ownership of five percent (5%) or more of the outstanding shares of any class of a voting security of the former mutual or any parent company without the prior approval by the commissioner of a statement filed by that person with the commissioner.

(b) The statement described in subsection (a) must contain the information required by IC 27-1-23-2(b) and any other information required by the commissioner.

As added by P.L.94-1999, SEC.3.

IC 27-15-13-2

Acquisition of beneficial ownership; factors for approval procedure

Sec. 2. (a) The commissioner may not approve an acquisition under section 1(a) of this chapter unless the commissioner finds that:

- (1) the requirements of IC 27-1-23-2(e) will be satisfied;
- (2) the acquisition will not frustrate the plan of conversion or the amendment to the articles of incorporation as approved by the members and the commissioner;
- (3) the boards of directors of the former mutual and any parent company have approved the acquisition; and
- (4) the acquisition would be in the best interest of the present and future policyholders of the former mutual without regard to any interest of policyholders as shareholders of the former mutual or any parent company.

(b) The commissioner shall adopt rules under IC 4-22-2 to establish a procedure under which an institutional investor that is not affiliated with the former mutual or a parent company may be considered to have been approved by the commissioner under this section to acquire beneficial ownership of at least five percent (5%) or less than ten percent (10%) of the outstanding shares of any class of a voting security of the former mutual or any parent company upon the filing with the commissioner of:

- (1) a certificate executed by appropriate officers of the former mutual and any parent company certifying that:
 - (A) the acquisition has been approved by the boards of directors of the former mutual and any parent company; and
 - (B) the institutional investor is not an affiliate of the former mutual or any parent company; and
- (2) a certificate executed by appropriate officers of the

institutional investor:

(A) certifying that the institutional investor will acquire the shares in the ordinary course of its business and not with the purpose nor with the effect of changing or influencing the control, management, or policies of the former mutual or the parent company;

(B) certifying that the institutional investor is not an affiliate of the former mutual or any parent company; and

(C) undertaking to notify the commissioner and the former mutual and any parent company in writing not less than twenty (20) business days before any change in the matters certified.

The commissioner may require the filing of any other information the commissioner considers necessary and may provide in the rules for remedies or consequences upon receipt of a notice under subdivision (2)(C), including divestiture and denial of voting rights.

As added by P.L.94-1999, SEC.3.

IC 27-15-13-3

Voting of securities subject to acquisition

Sec. 3. A security that is:

(1) the subject of any agreement or arrangement regarding acquisition; or

(2) held, acquired, or is to be acquired;

in contravention of this chapter or of an order of the commissioner, may not be voted at any shareholders' meeting. Any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though the securities were not issued and outstanding. However, no action taken at a meeting shall be invalidated by the voting of those securities unless the action would materially affect control of the former mutual or a person that owns or controls a majority or all of the voting securities of the former mutual or unless the courts of this state have so ordered.

As added by P.L.94-1999, SEC.3.

IC 27-15-13-4

Supplemental nature of provisions

Sec. 4. The requirements of this chapter are in addition to any other filings or approvals required by IC 27-1-23 or otherwise by law.

As added by P.L.94-1999, SEC.3.